UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress ¹

[Date approved: August 10, 2006]²

Bill No. and sponsor: S. 2717 (Mrs. Blanche L. Lincoln of Arkansas).

Proponent name, location: Wal-Mart Stores, Inc., Bentonville, AR.

Other bills on product (109th Congress only): H.R. 3679.

Nature of bill: Temporary duty reduction through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Manicure and pedicure sets, and combinations thereof, other than in leather cases or other containers of types ordinarily sold therewith in retail sales (provided for in subheading 8214.20.90).

Check one:

Same as that in bill as introduced.

X Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject products are instruments for manicure or pedicure purposes, packaged together in sets with varying composition. The relevant subheading covers a broad range of goods, including nail files, nail cleaners, nail clippers, nail scissors, nail trimmers, cuticle pushers or knives, and fold-up clippers. The products are typically made of stainless steel which may be covered, in part, with plastics and are contained in cases or containers, other than those of leather. The goods are mainly imported from China, Canada, and Pakistan.

¹ Industry analyst preparing report: Norman N. VanToai (202-205-3120); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: <u>8214.20.90</u>						
\searrow	2006	2007	2008	2009	2010	
Col. 1-General rate of duty	4.1%	4.1%	4.1%	4.1%	4.1%	
Estimated value <i>dutiable</i> imports	\$27,463,000	\$29,385,000	\$31,442,000	\$33,643,000	\$35,998,000	
Customs revenue loss <u>1</u> /	\$587,708	\$628,839	\$672,859	\$719,960	\$770,357	

^{1/} The estimated Customs revenue loss is based on a temporary reduction of the general rate of duty from 4.1 percent ad valorem to 1.96 percent ad valorem, a reduction of 2.14 percentage points. Sources of estimated dutiable import data: Industry inputs and USITC staff estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Wal-Mart Stores, Inc. (Proponent) Tres Bailey, 202-737-2806	06/15/2006	No	No	No
Retail Industry Leader Assoc. Paul Kelly, 703-841-2300	06/15/2006	No	No	No
Target Corp. Toni Demski-Brandl, 612-696-2573	06/15/2006	No	No	No
W. E. Bassett Company Mike Weiss, 203-926-5315	06/15/2006	No	No	No

Technical comments:³

To be consistent with the permanent subheading language and avoid confusion, it is suggested that the article description be modified to read as shown on page 1 of this report.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

S. 2717

To temporarily reduce the duty on manicure and pedicure sets.

IN THE SENATE OF THE UNITED STATES

May 4, 2006

Mrs. Lincoln introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To temporarily reduce the duty on manicure and pedicure sets.

1	Be it enacted by the Senate and House of Representa-
2	tives of the United States of America in Congress assembled,
3	SECTION 1. MANICURE AND PEDICURE SETS.
4	(a) In General.—Subchapter II of chapter 99 of
5	the Harmonized Tariff Schedule of the United States is
6	amended by inserting in numerical sequence the following
7	new heading:

"	9902.82.14	Manicure and pedicure sets, and combinations (provided					
		for in subheading	4.000	,, ,			ı
		8214.20.90)	1.96%	No change	No change	On or before	i
						12/31/2009	,,,

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to goods entered, or withdrawn from
- 3 warehouse for consumption, on or after the 15th day after

4 the date of the enactment of this Act.

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